

CLASSIFICATION **SECRET**CENTRAL INTELLIGENCE AGENCY
INFORMATION REPORT

REPORT

CD NO.

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COUNTRY **East Germany**DATE DISTR. **22 October 1954**SUBJECT **Shortage in Fuel Supply for
the 3rd Quarter of 1954**NO. OF PAGES **4**PLACE
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TION OF ITS CONTENTS TO OR EXCEPT BY AN UNAUTHORIZED PERSON
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The Distribution and Export Department for Coal Supply (Zentrale Absatzabteilung Kohle) in July 1954 undertook a review of the fuel supply situation for the third quarter 1954:

1. Brown-coal briquettes

The Economic Plan as approved by the Council of Ministers on 28 May 1943¹ provides for a distribution quota of for the 3rd quarter 1954. The production given by HV Brown Coal and HV Liquid Fuels amounts to

12,532,700 tons

12,418,400 tons

Undistributed reserves amount to

135,300 tons

50,200 tons

Remaining shortage

85,100 tons

b. The differential between planned and actual production of consists of: HV Brown Coal production shortage (VEB Regis production deficit amounts to 56,000 tons)

135,000² tons

60,000 tons

HV Liquid Fuels production shortage

75,000 tons

This shortage is further increased according to HV Liquid Fuels by

28,000 tons

Total deficit163,000³ tons

c. The supply plan provides, after taking into consideration deliveries for internal requirements and the production deficit of VEB Espenhain, for a distribution quota of brown-coal briquettes. It cannot, however, be expected that this quota will be fulfilled as more briquettes have been requested by VEB Espenhain in order to reach its full production capacity for low-temperature coke. The same

30,500 tons

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therefore makes
difficulty applies also to VEB Eschlen and/the supply of another
doubtful. 17,000 tons

d. A prospective shortage of 23,000 tons
is caused by the non-fulfillment of the briquette factory
"Sonne" (Revier Sonftenberg) which did not start its
production according to schedule.

e. The total brown-coal briquettes production deficit will thus
amount to 223,500 tons⁴

After deduction of the reserves of about 50,000 tons

a shortage of 173,000 tons⁵

will remain. It has to be worked out which potential consumers
For the supply in the third quarter it will be necessary to determine which
scheduled recipient will be affected by the shortage.

2. Distribution to individual consumers

a. On 28 January 1954, the Council of Ministers passed a resolution that 80 per-
cent of the brown-coal briquettes production must be used for distribution to
the population till 30 September 1954.

b. Distribution quotas: 1st quarter 625,000 tons
Distribution quotas: 2nd quarter (including commercial con- 2,071,000 tons⁶
sumption)

It is probable that only
will be distributed so that arrears in the 3rd quarter will
amount to about 2,000,000 tons

which will have to be supplied subsequently during the 3rd
quarter. The distribution quota for the 3rd quarter amounts to 70,000 tons

briquettes which will be difficult to supply. 2,704,000 tons

c. It will only be possible to implement the supply program for
the population, if a daily delivery quota of about 30,500 tons
can always be provided for. This program cannot, however,
be carried out during the early part of July 1954 because of
the unfavorable supply situation of the German railways. The
State Committee for Material Procurement (Staatliches Komitee
fuer Materialversorgung) has issued a directive according to
which a minimum of 8,000 additional tons, not provided for in
the Economic Plan, must be delivered daily to the German Rail-
ways up to 10 July 1954. Thus the supplies originally earmarked
for commercial and individual consumption will be reduced.

d. Export difficulties have arisen for the 3rd quarter of 1954
because the Deutsche Warenverkehrs-gesellschaft (DWV) did not
accept the offer of the Export and Distribution Department
concerning the allocation of the type of material to be sup-
plied and concerning delivery terms. A supply of 1,200,000 tons
which meet export quality standards has been offered. This
quantity consists of:

367,000 tons	<u>BB/Halbsteine</u>
800,000 tons	<u>BB/Ganzsteine</u>
33,000 tons	<u>BB/Spaene and Semmel.</u>

DWV can, however, only accept a delivery of 180,000 tons BB/Halb-
steine. A larger quantity of BB/Ganzsteine cannot be delivered
because of the inability to meet the quality standards. Another

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difficulty for the implementation of the export program arises from the fact that export quotas for the next months vary as follows:

July	340,000 tons
August	410,000 tons
September	420,000 tons

3. Raw brown coal

- a. A report, dated 12 June 1954, issued by the Distribution and Export Department states that there is a quantity of about 950,000 tons of raw brown coal for which orders have not yet been received. This quantity will be partly used for reserves and partly for additional internal requirements which will probably emanate from HV Brown Coal.
- b. There is a production deficit of about 1,000,000 tons Liebkohle (sifted coal) which makes it doubtful whether the 3rd quarter 1954 coal program, which is supposed to supply the population exclusively with sifted coal, can be fulfilled.

4. Low-temperature coke

- a. Production deficit of the distribution program: 38,700 tons

1.0. HV Brown Coal:	7,700 tons
HV Liquid Fuels:	31,000 tons

The production deficit of 31,000 tons low-temperature coke is, however, to be taken care of in the supplemental plan (Aufschluplan), but, it will be difficult to implement it.

- b. VMB Lasponein produced about 40,000 tons more of dry coke than can be allocated. Therefore the consumers of dry coke will have a surplus supply while the needs of the population and of commerce and local industry for brown coal low-temperature coke cannot be met.

5. Dry coal (Trockenkohle)

Deficit production for the 3rd quarter 1954	83,800 tons
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6. Bituminous coal (Steinkohle)

Planned imports of about	1,990,000 tons
DIA contracts so far concluded amount to	1,500,000 tons
Deficit	490,000 tons

The deficit will have to be absorbed by the railroads and will have to be made up through increased brown-coal briquette deliveries.

7. The deficit as stated above, particularly in brown coal briquettes, makes it necessary to reduce the deliveries to certain consumer groups for the time being. The coal supply situation of direct consumers (population) makes it possible to reduce deliveries to them in order to provide industry with the necessary supplies.
8. Difference between actual and planned production of the gas works of the Ministry of Heavy Industry:

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	<u>Coke more than 40 mm</u>	<u>10/40 mm</u>	<u>Coke fines</u>	<u>Total</u>
Planned total production	219.0	185.0	74.0	478.0
Internal requirements	52.0	27.8	5.9	85.7
Planned turnover	167.0	157.2	68.1	392.3
Turnover according to Power Plan	159.8	149.8	66.1	375.7
Production deficit	7.2	7.4	2.0	16.6
Expressed in percentage	4.3	4.7	3	4.3

Comments:

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1. Correct date is 1954.
2. Correct figure: 135,300 tons.
3. Correct figure: 163,300 tons.
4. Correct figure: 233,800 tons.
5. Correct figure: 183,800 tons.
6. It is to be assumed that supplies for individual consumers are included in this figure.
7. Comment: Unit of measurement not specified.

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CENTRAL INTELLIGENCE AGENCY
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CD NO.

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COUNTRY East Germany

DATE DISTR. 22 November 1954

SUBJECT Shortages in Fuel Supply for
the Third Quarter of 1954

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The Distribution and Export Department for Coal Supply (Zentrale Absatzabteilung Kohle) in July 1954 undertook a review of the fuel supply situation for the third quarter 1954:

1. Brown-coal briquettes

on 28 May 1953 provides for a distribution quota

a. The Economic Plan as approved by the Council of Ministers on 28 May 1953 provides for a distribution quota for the 3rd quarter 1954. The production given by HV Brown Coal and NM Liquid Fuels amounts to

Shortage 135,300 tons

Undistributed reserves amount to 50,200 tons

Remaining shortage 85,100 tons

b. The differential between planned and actual production of 135,000² tons

consists of: HV Brown Coal production shortage (VEB Regis production deficit amounts to 56,000 tons) 60,000 tons

HV Liquid Fuels production shortage 75,000 tons

This shortage is further increased according to HV Liquid Fuels by 28,000 tons

163,000³ tons

c. The supply plan provides for deliveries for inter-plant deficit of VEB Espenmair, for a distribution quota of brown-coal briquettes. It cannot, however, be expected that this quota will be fulfilled as more briquettes have been requested by VEB Espenmair in order to reach its full production capacity for locomotive coal. The same

30,500 tons

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difficulty applies also to VEB Boehlen and the supply of another 17,000 tons doubtful.

d. A prospective shortage of 23,000 tons is caused by the non-fulfillment of the briquette factory "Sonne" (Revier Senftenberg) which did not start its production according to schedule.

e. The total brown-coal briquettes production deficit will thus amount to 223,500 tons⁴

After deduction of the reserves of about 50,000 tons

a shortage of 173,000 tons⁵

9. The supplies in the third quarter will be

2. *By*

a resolution that 80 per-
cent of the brown-coal briquettes production must be used for distribution to
the population until 30 September 1954.

b. Distribution (including special con-
sumption) 625,000 tons
2,071,000 tons⁶

it is probable that only 2,000,000 tons
will be distributed so that arrears in the 3rd quarter will
amount to 70,000 tons
which will have to be supplied subsequently during the 3rd
quarter. The distribution quota for the 3rd quarter amounts to
briquettes which will be difficult to supply. 2,704,000 tons

c. It will not be possible to implement the supply program for
the population on a daily basis of 30,500 tons
can always be guaranteed for. This program cannot, however,
be carried out during the early part of July 1954 because of
the unfavorable supply situation of the German railways. The
State Committee for Coal Procurement (Staatliches Komitee
fuer Materialversorgung) has issued a directive according to
which a minimum of 8,000 additional tons, not provided for in
the Economic Plan, must be delivered daily to the German Rail-
ways up to 10 July 1954. Supplies originally earmarked
for commercial and individual consumption will be reduced.

d. Export difficulties have arisen during the 3rd quarter of 1954
because the Deutsche Warenvertriebsgesellschaft (DWV) did not
accept the offer of the Export and Distribution Department
concerning the allocation of the type of material to be sup-
plied and concerning delivery terms. A supply of 1,200,000 tons
which meet export quality standards has been offered. This
quantity consists of:

367,000 tons	BB/Halbsteine
800,000 tons	BB/Ganzsteine
33,000 tons	BB/Speers and Semmel.

DWV can, however, only accept a delivery of 180,000 tons BB/Halb-
steine. A larger quantity of BB/Ganzsteine cannot be delivered
because of the inability to meet the quality standards. Another

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arise from the fact:

	347,000 tons
August	410,000 tons
September	420,000 tons

3. Brown coal

- a. A report, dated 12 June 1954, issued by the Distribution and Export Department states that there is a quantity of about 950,000 tons of brown coal for which orders have not yet been received. This quantity will be partly used for reserve for additional internal requirements which will partly be taken from HV Brown Coal.

- b. There is a deficit of about 1,000,000 tons of Siberian (air-dried coal) for the 3rd quarter 1954 coal plan, which is to be supplied by the population continuously with air-dried coal.

Low temperature coke

- a. Deficit of the distribution

10,000 tons

7,000 tons

11,000 tons

The production deficit of 31,000 tons of low temperature coke is, however, to be taken care of in the supplementary plan (Aufholeplan), but, it will be difficult to implement it.

- b. VEB Espenhard produced about 40,000 tons more of dry coke than can be allocated. Therefore the consumers of dry coke will have a surplus while the needs of the population and of commerce and industry for brown coal and low temperature coke cannot be met.

5. Dry coal (Track coal)

Deficit production for the 3rd quarter 1954 83,800 tons

6. Bituminous coal (Steinkohle)

Planned exports of about	1,990,000 tons
DIA contracts so far concluded amount to	1,500,000 tons
Deficit	490,000 tons

The deficit will have to be absorbed by the railroads and will have to be made up through increased brown coal production.

7. The deficit necessary to reduce the deliveries to certain consumers makes it necessary to reduce the coal supply situation of direct consumers for the time being. The coal supply situation of direct consumers for the time being makes it possible to reduce deliveries to them in batches or periods.

8. Difference between actual and planned production of the gas works of the Ministry of Heavy Industry:

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